

Office of Chief Counsel
Internal Revenue Service

memorandum

CC:MSR:ILD:CHI:TL-2385-00
RAVillageliu 72-N-2385-00

date: May 26, 2000

to: Chief, Examination Division, Illinois District
Attn: [REDACTED]
Attn: Team Coordinator Glenn Santella
860 E. Algonquin Road, Schaumburg, Illinois 60173

from: District Counsel, Illinois District

subject: AO: Form 872, Consent to Extend the Time to Assess Tax
[REDACTED] successor-in-interest to
[REDACTED]

Non-docketed [REDACTED] case.¹

Issue

How best to protect the statute of limitations for the consolidated return group's taxable year [REDACTED]?

Facts

[REDACTED] (EIN: [REDACTED]) (the highest domestic tier corp. and former agent of the [REDACTED] consolidated group for [REDACTED] merged and disappeared into [REDACTED] (EIN: [REDACTED]), a domestic corporation, in a nontaxable merger. [REDACTED] is a subsidiary of [REDACTED]. Neither [REDACTED] nor [REDACTED] were members of the [REDACTED] consolidated group for the [REDACTED] year, a pre-merger year. Neither [REDACTED] nor any of its [REDACTED] consolidated return group members designated an agent for the group.

Legal Advice

After giving the taxpayer the appropriate reminders that it

¹ A copy of this opinion is being sent for coordination purposes only. National Office Attorney Grid R. Glycer, CC:DOM:FS, already provided excellent assistance, by facsimile transmission and by telephone. No further assistance is needed at this time.

is not required to extend the statute and that a restricted consent is one of the taxpayer's options, Examination should proceed to solicit a Form 872, from [REDACTED] as successor-in-interest to [REDACTED], and as alternative agent under Treas. Reg. §1.1502-77T(a)(4) for the members of the [REDACTED] group, for the taxable year [REDACTED].

District Counsel, Illinois District also recommended the solicitation of a form 977, and a Form 1045, if the taxpayer was willing to give them. In this case, the crucial form that needs to be solicited is Form 872. The Forms 977 and 1045 would only provide an additional collection source, namely, [REDACTED], if the remaining members of the [REDACTED] group were unable to pay the liability, if any, that is ultimately determined for [REDACTED]'s group [REDACTED] year.

Accordingly, on April 10, 2000 we assisted you in preparing a Form 872, Consent to Extend the Time to Assess Tax. A copy of the final product, using the language suggested by our national office, is attached herein. It is our legal opinion that once this Form 872 is properly signed by [REDACTED], it will be legally effective to extend the former [REDACTED]'s consolidated return group's taxable year [REDACTED] for income tax purposes.

We also provided you with advice as to how the transferee liability agreement and consent (Forms 977 and 1045) in this case, would need to be filed.

This concludes our legal advice, if you have any further questions, please contact the undersigned. We are closing our file.

RICHARD A. WITKOWSKI
District Counsel

By: _____
ROGELIO A. VILLAGELIU
Special Litigation Assistant

Attachments: Unsigned form 872.

(Attachment to all distributees)

CC:District Counsel, Illinois District

CC:Assistant Regional Counsel (Large Case), MS (Chicago)

CC:Assistant Regional Counsel (TL), MS (Dallas)

CC:DOM:FS (2 copies)

a:\[REDACTED]wpd